

Memorandum for: D/NFAC

NFAC 7422-81

John,

Attached is the contingency paper with my cryptic views where I have something to say. A number of the regional topics pose some interesting and complex questions requiring an integrative approach:

EE-Diminished Soviet Control
Implication of a Palestinian State
Serious Trouble in South Africa
and so forth

The knock on NFAC has been that it is unable to accomplish against such comprehensive issues. With NFAC's new "integrative look" why not try a couple? (The research planning activity now underway under Ev may be a [more] preferable opportunity.)



O G I

Office of Global Issues

25X1

An Agenda of Projective, Potentially Important
(Even If Unlikely) Contingencies

The following list of topics addresses developments most of which are unlikely to occur but are arguably of sufficient importance that even a relatively low probability of their happening warrants attention by the intelligence community.

Many of these items concern events or trends that may develop independently of specific US actions; a few deal with the possible consequences of a change in US policies. Because of their improbability few of these topics lend themselves to interagency estimates, at least in the near-term and, for some, perhaps never. Moreover, some of these topics are quite sensitive and any papers done on them would have to be tightly controlled.

Work on any given topic might be done initially in one of several ways:

- As an analytic project within the community.
- As a paper prepared by a consultant or contractor or even prepared entirely independently by an outside expert.
- As an interagency estimate.

Because of the possible inavailability of talent to work on some topics right away, some of these topics might have to be put on "hold" for a while.

Each of the NIOs should review the topics in his area and make a recommendation on how to proceed with each. [] will follow up and get your recommendations. We will periodically update this list.

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USSR-EEProbabilitiesShort Term / Long TermLow HighThe Soviets and the Disintegration of Iran

The chaos in Iran might proceed to the point where the serious ethnic groups declare independence or gain it de facto. Although there are a number of regional implications of such a development, the disintegration of Iran at this point has marginal importance to the United States except with respect to the Soviet reaction and how the Soviet Union might seek to exploit such a disintegration. It is only in the event of some Soviet military action, for example, that the United States anticipates employment of the RDF in Iran. Thus there would be some value in a speculative paper on and the options then open to the Soviets.

*Routine reporting*Strengthening of the Soviet/Libyan ConnectionHigh High

Until recently, the Soviets have been fairly leery of the Libyans and of Qadhafi in particular. However, in the last year or two the Soviets have shipped Libya an enormous quantity of arms and Qadhafi has pursued foreign policies that serve Soviet interests. In particular, his activities in Chad, against the Sudan, and with Ethiopia and Yemen suggest an effort to surround Egypt and to bring down its anti-Libyan, anti-Soviet government. Libyan money is turning up in the hands of terrorist organizations and various groups in widely scattered arenas, often in circumstances that, again, at least parallel Soviet interests. Finally, from the Soviet standpoint, Libya is attractive because, rare among Moscow's clients, it can pay its bills. It also can finance organizations of interest to the Soviet Union, thereby relieving the Soviets of the necessity to produce the cash. The addition of the Libyans to the Cubans, Vietnamese, and others as Soviet surrogates/proxies would signal a major new disruptive force in the Middle East and less caution on the Soviets' part than they have demonstrated heretofore. This paper would explore the implications of both.

*Routine reporting*Soviet Policy Toward a Marxist/Leninist Central AmericaMod High

The prospect from this vantage point is that the Administration's policies aimed at curbing Nicaraguan and Cuban export of revolution in Central America likely will not be successful. The prospect then is for the eventual victory of the insurgents in El Salvador and during this decade further success in Honduras, Guatemala and possibly Costa Rica. The ending of Cuba's isolation in the Western Hemisphere and the existence of a substantial bloc of radical states whose policies serve Soviet interests -- a bloc that could also include Panama, with obvious strategic implications -- would have profound implications both for the Soviet Union and for the United States, as well as their relations with one another. A speculative paper on these developments would explore these implications and how the Soviet Union might seek to exploit such developments.

Mod *slowing*

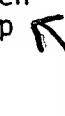
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Prob.Short Term / Long Term Increased Role of the Military in Soviet Domestic PoliticsLow Mod

Current analysis holds that military considerations dominate the Soviet policy process but that military men do not. The question is whether such a high priority on military requirements will eventually result in a greater role for the military in running the country. In his Kommunist article Ogarkov has suggested the need for regional GKO's, implying a military role in regional political and economic affairs. Even more importantly, a Western observer (Tatu) has predicted that the Soviet army may end up the arbiter in the Soviet succession, with implications for its role in Soviet politics. We might look at the probability of these developments and some of their implications; i.e., what would Soviet military rule mean for (1) domestic politics, the economy, the nationalities, for (2) Eastern Europe, for (3) the strategic competition with the U.S. A big question mark in this entire scenario is the extent of factionalism in the military, particularly Army-Navy relations.

*not much
down*Mod HighDisintegration in Yugoslavia

Although the transition from Tito to collective leadership went fairly smoothly, persistent regionalism (e.g., Kosovo) exacerbated by economic difficulties place into question the long-range viability of collective leadership. Such leadership might also not be able to continue upholding a unified foreign and military policy, particularly when MOD Ljubovic is forced to retire. If such disunity arises, it opens up possibility for Soviet inroads and for increased conflicts with neighboring states (e.g., with Bulgaria over Macedonia).

*Very useful
Study**related**Very useful
Study*Mod HighImplications of Diminished Soviet Control Over Eastern Europe

Romania's maverick behavior, Hungary's economic reform and the continued intractability of the Polish problem all suggest decreased Soviet influence over events in those countries. How will the Soviet Union adjust to these developments? Will it try to regain its lost authority or will it accommodate to developments? What are the implications of either course for domestic politics in the Central European countries. How will their relations with Western Europe evolve and what will be the effect of this evolution on West European ties with the U.S. and on NATO?

NESAPlausibility and Implications of a Loose Confederational Government in Lebanon

Assumption: The recurring cycle of violence in Lebanon continues along sectarian lines, and continues to be complicated by Syrian and Palestinian presence. The progressive weakening of the Central Govern-

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Prob
Short Long
ment and impossibility of recreating a unified army and security force leads major political forces to recast the structure of government into a weaker Confederation.

Low Mark

- A. Description of likely central political structure. *Too much of a basket case to conduct a useful study*
- B. Description of likely religious/ethnic components.
- C. Security and military structure.
- D. Effect of a move toward confederation on the level of violence.
- E. Possible solutions for Palestinian presence/likely Palestinian reactions.
- F. Special arrangements to meet Syrian requirements/likely Syrian reactions.
- G. Implications for Israel.
- H. Implications for US and USSR.

Implications of an Independent Palestinian State

Low High
Assumption: A mutually agreed upon formula is found whereby Israel and the PLO accord each other recognition, and a process commenced leading to Palestinian sovereignty over the West Bank and Gaza. PLO participation in the leadership is acceptable.

- A. Feasible geographic parameters of a Palestinian state on West Bank and Gaza, including status of Jerusalem.
- B. Likely intra-Palestinian actions prior to accepting an independent state final solution: *bloodbath by Fatah?* *Excellent study*
- C. Likely political complexion of state.
- D. Likely fate or role of Jewish settlements.
- E. Economic viability and dependence of an independent state.
- F. Likely attitude toward continued terrorism.
- G. Probable relations with Jordan, Israel, US, USSR.

Implications of Palestinian Leadership Taking Over in Jordan

Assumption: A Palestinian-controlled government assumes control from the Hashemites, thus fulfilling Israeli Defense Minister Sharon's statements that the natural Palestinian homeland is on the East Bank of the Jordan. The PLO leadership is among those who assume power.

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*Prob.**Short* *Long*

- A. How would this transition be like to occur? Israeli assistance?
- B. Likely internal security situation in Jordan in aftermath of transition; East Banker reaction.
- C. Would such an event resolve the Palestinian "problem," or merely provide a larger base of operations?
- D. Likely political orientation of such a state.
- E. Probable relations with regional states.
- F. Implications for US and USSR interests in region.

Impact of Closer India-US Ties

Assumption: Longer run instability in Pakistan renders it an unreliable partner in South Asia, and India's inherent area dominance renders it an attractive alternative for the US.

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- A. Likely reaction of Indian Government under Gandhi to a US overture.
- B. Areas in which collaboration could occur if politically acceptable.
- C. Likely reation of Soviets to such a US initiative.
- D. Impact on Islamic world, specifically Pakistan, and Chinese.
- E. Assuming reciprocity from India, impact on US regional position.

Urge for study

Impact of Improved US-Algerian Realations

Mod. Distr.

Assumption: Fragility of the political structures in Morocco and Tunisia, and Algeria's inherent strength in the area, lead the US to tilt in its favor on regional issues.

- A. Likely reaction of Algerian Government to US overtures. *Not very speculative*
- B. Probable areas of effective cooperation.
- C. Impact on Saharan conflict.
- D. Impact on Morocco, Tunisia, and conservatives such as Saudi Arabia.
- E. Impact on Libya, USSR.

F. Assuming reciprocity from Algeria, impact on US regional position.

Likelihood and Implications of an Iraqi Shift Toward the West

Assumption: Post-war Iraq intensifies its pre-war tendencies to diversify its economy and arms supply relations from the Soviets and Eastern Europe.

- A. Inclination of present government to look westward.
- B. International economic orientation now and potentially.
- C. Arms supply sources now and potentially.
- D. Implications for policy toward Israel.
- E. Soviet reaction.
- F. Effect on US regional situation.
- G. Effect on moderate Arab states.

Implications of a Post-Qadhafi Libyan-Egyptian Rapprochement

Assumption: Qadhafi is assassinated or overthrown by a less radical group not committed to Camp David. A tentative rapprochement follows with Cairo, possibly dependent over time on a modification of Egyptian-Israeli ties.

- A. What will this do to the Arab-Israeli military balance? *Torpedoed to be useful*
- B. What would be the impact of this situation on Mubarak's commitment to Camp David?
- C. Will this likely lead to closer or more distanced ties between Cairo and Washington?
- D. How would the Soviets react?
- E. Does Qadhafi presently serve any useful negative purpose in the region? Would his demise be a long-term plus or minus?

Economic and Political Implications of Sustained Downward Pressure on the World Oil Market

There will very likely be increased downward pressure on the oil market in the next 12-24 months through the combined effect of reduced demand, increased output by the African producers, increased non-OPEC

*Concurrently working
with and C/NIC*

+SRP

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*Prob**Short Sorry**Sovs Good*

supplies and, possibly, increased Iraq/Iran production. Either Saudi Arabia will have to make substantial cuts in production or the price of oil will fall (or a combination of the two will occur). The economic and political implications of these possible developments need examination, and especially:

- The impact on Saudi Arabia of reduced oil production and, perhaps, a decline in the oil price;
- The impact on the other oil exporters of a fall in the price of oil.

(This topic is related to the subject matter of the Global Economic Estimate which is in preparation.)

Africa

Implications of Serious Internal Trouble in South Africa

Prob Wish

Some time in the net several years there might be serious and sustained internal disturbances by blacks in South Africa. Further, to think the unthinkable, what if an uprising in South Africa, aided by outside forces, should succeed in overthrowing the white minority regime?

- What opportunities would serious disturbances, or worse, offer the Soviets for large-scale influence on all the independent countries of southern Africa? Obviously, these opportunities would depend on the ideological connections of a black African leadership. Can we make educated guesses about this?
- What are the prospects of the formation of an anti-US bloc in this area comprising roughly the area from Luanda to the Cape? What might be the effect of such a bloc on global American interests?

Should be done

It can properly be argued that this turn of events is highly unlikely but so were the events in Iran thought to be. The point of addressing southern Africa in these terms is to force some serious speculation on what American policy can do either to prevent a South African upheaval or to cope with it should it come about. Such a study would require concentrated speculation on exactly what our long-range interests in the area are and how far we are prepared to go in defending them.

Implications of Oil Discoveries in West Africa

The recent extensive discoveries of oil along the West African coast in the arc from the Ivory Coast to Angola will inevitably change the political and economic relationships of the countries of the area

minor changes

to US

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over the next three to five years as they become not only self-sufficient in oil but exporters as well. These changes will have direct implications for American policy in that:

- The role of Nigeria as the linchpin of the area will undergo substantial change.
- Countries other than Nigeria will now have the capability of buying arms in any market they choose and will therefore not be dependent on either West or East. (Cameroon has already given evidence of this.)
- They will be able to acquire technology for development from a wider array of market sources, including more extensive drawing on Latin America, particularly Brazil.
- These countries will become of substantially greater importance to Western Europe as sources of energy.
- A study of the implications of these developments could be done over a period of time, possibly by an outside contractor.

Zaire After Mobutu

The conventional wisdom has been that no immediate successor to Mobutu in Zaire is visible on the horizon as yet. This may be true, but he is not immortal. A speculative study of the future of Zaire under a variety of scenarios would be useful for long-range policy.

- What is the most likely form that a movement to replace Mobutu might take? What are the real prospects of any likely successor?
- How strong are Soviet interests in Zaire and what are their capabilities for promoting a successor to Mobutu who would favor Soviet interests?
- The "systeme Mobutu" has kept him in power so far; without him, what are the prospects for a viable economic future for Zaire?
- Zaire has only recently begun to look toward southern rather than central Africa as an axis of foreign policy. What are the prospects that Zaire could be integrated fully into a southern Africa development plan?
- These and other questions may not have any specific answers at the moment, but we should be speculating on the alternatives for American policy in preparation for an event that is bound to occur sooner rather than later.

*High potential
for producing
something of
little value*

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*Prob*Impact of South African Abandoning a Namibian Settlement

*Short Term
Low Risk*

A more current issue concerns Namibia. What is the South Africans should simply opt out of a Namibian settlement entirely and decide to go it alone? Where would this leave American policy toward southern Africa as a whole?

- The South Africans appear to believe that they have the capability to continue hostilities in northern Namibia for an indefinite length of time at a bearable cost. If they see that a Namibian settlement on any terms acceptable to the West is not in their interest, they may decide that it is no longer worth pursuing, particularly if the carrots offered by the U.S. for their cooperation are deemed insufficient.
- If Botha comes to the conclusion that a Namibian settlement is simply too costly in domestic political terms, he may well opt for a withdrawal from all negotiation, although the decision may not become public till some point in the future.
- A study of the options that such a decision may leave for the U.S. would be of direct policy interest.

East AsiaPermanent Vietnamese Occupation of Kampuchea

High Risk

Although few in the Government are talking about it, the most likely outcome in Kampuchea is permanent Vietnamese occupation. What would be the long-term consequences for Thailand and ASEAN? What benefits would accrue to the Soviets? To what extent could the visible Vietnamese presence be replaced by an ethnic Kampuchean puppet structure? In such circumstances would the Chinese continue their confrontation with Vietnam? *Not very speculative.*

Indonesia When the Well Runs Dry

This, too, should be main stream analysis. The point is that NFAC and others should take a long-term look at Indonesia, and I believe this is being done. *✓*

China and Taiwan -- Consequences of Reunification

Low Risk

Reunification in the near future is unlikely, but it could happen. What are some scenarios for reunification? What contributions could Taiwan make to Chinese economic life? What political influences would Beijing assert in Taiwan? The US undoubtedly would benefit from reunification, but would there be some losses as well?

Good steady even if low probability

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Assessment of Taiwan's Long-Range Defense Strategy ✓

Consequences of Moves Toward Sino-Soviet Detente ✓

What factors drive China and the Soviet Union toward improved relations? What kinds of problems need to be solved to make an improvement in relations feasible? What would be the effects on US relations with the Soviet Union and on US strategic relationships worldwide? What are the advantages and disadvantages as viewed from China and from the Soviet Union?

Initiation of Tripartite Talks in Korea ✓

What are the developments which might bring about DPRK/ROK/US talks in Korea? Even if entered into by Pyongyang for propaganda purposes, what postures are they likely to take? Given traditional ROK cautionaries(?), how would Seoul's representatives perform at such a gathering? What directions taken by both sets of Koreans would require US responses?

Latin America

Implications for Mexico of a Communist Central America by 1983

Extreme Left Victory in El Salvador in 1982 -- Implications for the Region

Rightist Disruption of the Constitutional Transition in Brazil and Its Possible Implications

Successful Democratic Liberation of Nicaragua in 1982; Implications and Gradual Liberalization: Probabilities and Impact

Growth Within Cuba of a "Solidarity Type" Movement for Peaceful and Gradual Liberalization: Probabilities and Impact

Precs.Short SummaryArgentine Nuclear Program and Its Weapon Implications

Western Europe - all of the below should be in
our current research program

Prospects for and Implications of the Growth of Neutralist Attitude in Europe

Several developments in Western Europe are of concern: deterioration in the economic performance and prospects by many members of the European Community; the growth of the peace movement; increased expression of neutralist attitudes with respect to both the US and the Soviet Union; and lagging defense efforts. Within Germany in particular there are large perceived economic and political benefits from ost-politik and increased benefits may be anticipated by many people in that country. And developments in Eastern Europe suggest to some Europeans that the 1980s may see a momentous change in political alignments within Europe.

*Should be
done this
month*

Effects of Persistent Stalemate in Polish Crisis

NFAC did a paper on European reactions to non-invasion by Soviets, but perhaps this needs to be reexamined. Do the dynamics change the longer the Soviets exercise "restraint"? What about the European ability and/or willingness to provide economic and financial assistance? Impact on LRTNF decisions and the "German question"?

11

France: Economic and Political Consequences of Pursuit of a Doctrinaire Socialist Program

The future economic policies of the Mitterrand government are unclear. Some thoughtful observers in France fear that the government will pursue policies that will progressively increase the control of the state over the economy; among other feared consequences is the reaction of impediments to the working of the Common Market. They also fear the internal and external political consequences of such a development.

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Greek Withdrawal from NATO

The new political leadership in Greece criticized Greek participation in NATO during the election campaign. This paper would address the evolution of the Greek position within NATO under the new regime focusing on the key question of the likelihood and nature of a Greek withdrawal from NATO.

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- What would be the political and military implications of a complete or partial withdrawal;
- What is the range of options for the Greek government;
- Will Greece emulate the French, continuing a political role but disassociating Greece from NATO's military structure;
- What are the implications for the Greco-Turkish relationship.

International Economics

A Difficult Economic Transition for Mexico

Prob
Short term
Med. Dist.

Surging oil revenues have enabled Mexico to finance exceptionally high rates of economic growth in recent years. Even so, inflation has accelerated and the current account deficit has surged. With the expected leveling off of oil export earnings, Mexico faces the necessity of painful economic adjustments, notably: a large devaluation of the peso (always a traumatic event in Mexico); a marked economic slowdown; and large increases in domestic oil and gas prices to encourage energy conservation. The last major economic adjustment in Mexico took two years and was anything but smooth. The coming adjustment will be far more severe and the potential for major political splits is far greater. If the readjustment is mishandled, the political system could be greatly weakened, with major implications for the US.

Excellent study

Britain Pulls Out of the Common Market

There is a possibility of a British Labor-led government pulling out of the Common Market. With the current economic climate in Britain, Thatcher appears to be in a poor position to capture the 1984 election. Although a Labor party win would be some time off, these current anti-EC platform raises the specter of an EC without Britain which hold certain implications for US interest.

*Geopolitically
to be careful*

Persistent OECD Stagflation

The present recession in the OECD countries might persist for more than a year, with little relief from unemployment and inflation. There would have to be some kind of crisis of confidence to distort the normal oscillations of the business cycle in this way, but continued stagflation would create serious domestic political situations in all OECD countries and make bitter market struggles and protectionist policies all but inevitable.

*Should be
in current
program*

Implications of Continued Japanese Export Surpluses

A stubborn unwillingness (or incapacity?) of Japan to restructure its economy to render it more receptive to foreign imports and investment so as to redress its periodic mammoth export surpluses imposes such severe BoP burdens on the rest of OECD. We are in for such a cycle in 1982, and the consequences for Japan-OECD relations are troublesome

*Should be
current
second*

Foreign Military Developments - All seem to be conventional questions against which research is now underway.

Poland: Impact on Warsaw Pact Strategy

The crisis in Poland may well have led to a Soviet re-evaluation of the role and reliability of Polish military forces. This question has been addressed in both NIE 11-14-81 and a NIC Memorandum. This paper would take a longer, more speculative look at the implications for Soviet planning for war against NATO.

- Implications of reduced Soviet reliance on the Polish forces;
- Need to increase readiness of Soviet forces; reduction of Pact ability to launch attacks with short preparation time;
- Increased warning time for NATO;
- With more limited conventional forces, increased likelihood of resort to nuclear weapons;
- Alternatives to use of Polish forces, and alternative uses of Polish forces.

A Soviet Proposal to Withdraw All Nuclear Weapons From the NATO Guidelines AreaLimited Soviet Punitive Campaigns Against Afghan Sanctuaries in PakistanProspects for Soviet Near-Term Technological "Break-throughs"

There are areas of military-related technologies where the Soviets have obvious deficiencies or where they are devoting considerable efforts, but where, in the judgment of the Intelligence Community, the application to deployed systems is at least a decade or more away, if feasible at all. "Contingency" papers on this issue would assume that

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the Soviets achieved in this decade the requisite level of technology for military applications in selected areas.

- What would be the technical characteristics and capabilities of these "advanced" weapons or military support systems?
- What levels of deployment could be achieved, assuming the anticipated Soviet military production and supporting infrastructure in the 1980s and beyond? How could such systems be configured?
- What would be the implications for US systems; how could the Soviets protect these systems from US attacks; other countermeasures (a general evaluation; a detailed analysis of this question would have to involve DoD).

A candidate topic for such studies in the strategic area is:

Soviet "space-warfare." Assumes a major change in Soviet space posture in the early-to-mid 1990s, based upon unexpected technological achievements in the 1980s:

- Space-based lasers and other directed-energy systems for land and space (ASAT) attack.
- Space-based ABM; air defense.
- Space-based weapons.
- Extensive capabilities for space-based surveillance and tracking of US bomber force, missile-carrying aircraft, command and control aircraft.

Soviet Military Capabilities vs. Technological Advances

Will some Soviet military capabilities suffer as they incorporate more advanced technology into their weapon systems as they cope with the more difficult operational and maintenance problems attendant with advanced technologies? A series of papers might be done on specific Soviet military forces and capabilities (e.g., ground forces, the SRF, SSBNs, etc.).

Topics covered could include:

- Deployment levels. Will more advanced systems necessarily result in lower levels of deployment for such systems because of cost and maintenance problems?
- Capabilities for support. In addition to maintenance problems, will the Soviet military production and support system be able to keep these more advanced forces equipped with necessary spare parts and components?

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- Demographic Trends. Will the changing personnel composition of the Soviet armed forces, with attendant differences in language and education levels, exacerbate problems associated with the introduction of advanced technology?
- Geographic considerations. To what extent will the varying geographical and climatic conditions in the USSR degrade the overall performance of advance weapons? How will the Soviets adapt these systems to these varying conditions?